

## REMARKS

Claims 17-22 have been canceled to avoid incurring additional claim fees. The priority claim has been amended to indicate that the present application is a continuation application.

Respectfully submitted,

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## Appendix A

### Redlined Copy of Amended Portions of Specification and Amended Claims Showing Changes Made in the Current Amendment

The paragraph on page one, line 3, has been amended as follows:

The present application is a [continuation in-part of pending Provisional U.S. Patent Application S.N. 60/064,584 filed October 20, 1997 which is titled "METHODS FOR REDUCING COST INSERTION OF VIDEO SUBWINDOWS INTO COMPRESSED VIDEO" and which is hereby expressly incorporated by reference.]  
continuation of pending U.S. Patent Application S.N. 09/124,568 filed July 29, 1998 and which is scheduled to issue as U.S. Patent No. 6,594,311 which claims the benefit of U.S. Provisional Application No. 60/064,584 filed October 20, 1997.

The paragraph on the last page of the application under the heading Abstract of the Disclosure has been amended as follows:

Methods and apparatus for encoding image data to facilitate subsequent insertion of local image data[ are described]. Also [described are] methods and apparatus for inserting image data, e.g., at local broadcast stations, without having to fully decode a received encoded bitstream. The encoding methods [of the present invention] involve treating images to be encoded as a

plurality of distinct, non-overlapping image regions or segments for encoding purposes. Image segments which are designated for use for local data insertion are not used as reference data for motion compensated prediction purposes when generating motion vectors to represent image areas, e.g., the area representing the main picture, which are outside the local data insertion segments. Because image segments which may be replaced are not used as reference data for image segments which will not be replaced, unintentional prediction errors which might otherwise result from replacing one or more image segments as part of a local data insertion operation are avoided. [In one embodiment, the segments designated for use when inserting local image data are encoded using only the corresponding image segments of preceding or subsequent images. In such an embodiment, when all or some of the original content of a segment is to be used when inserting data, only the data representing the image segment into which new data is to be inserted needs to be decoded since motion vectors in the insertion region do not reference image areas outside the insertion region.]